



SHERYL L. SPILLER  
Director

ANTONIA JIMENEZ  
Acting Chief Deputy

County of Los Angeles  
**DEPARTMENT OF PUBLIC SOCIAL SERVICES**

12860 CROSSROADS PARKWAY SOUTH • CITY OF INDUSTRY, CALIFORNIA 91746  
Tel (562) 908-8400 • Fax (562) 695-4801



Board of Supervisors  
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October 04, 2016

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

24 October 4, 2016

LORI GLASGOW  
EXECUTIVE OFFICER

**REQUEST APPROVAL OF AMENDMENT NUMBER FOUR TO  
THE LOS ANGELES ELIGIBILITY, AUTOMATED DETERMINATION, EVALUATION AND  
REPORTING SYSTEM (LEADER REPLACEMENT SYSTEM)  
INFORMATION TECHNOLOGY AGREEMENT WITH  
ACCENTURE LLP  
(ALL DISTRICTS – 3 VOTES)**

**CIO RECOMMENDATION: APPROVE (X) APPROVE WITH MODIFICATION ( )  
DISAPPROVE ( )**

**SUBJECT**

This is a joint recommendation by the Department for Public Social Services (DPSS) and the Chief Information Office (CIO) that the Board approve Amendment Number Four to the LEADER Replacement System (LRS) Agreement Number 77863 (Agreement). Amendment Number Four will provide the necessary funding for modifications to LRS to comply with federal rules for Able-Bodied Adults Without Dependents (ABAWD) and support other Regulatory and Administrative (R&A) County, State, and federal mandates.

**IT IS RECOMMENDED THAT THE BOARD:**

Approve and instruct the Chair to sign Amendment Number Four (Enclosure I) to the LRS Agreement, which will authorize the increase to the Total Maximum Contract Sum during the initial term by \$4,019,700 from \$609,483,101 to \$613,502,801.

## **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of this recommended action is to allow DPSS to amend the LRS Agreement to add \$4,019,700 to support continued work that includes system modifications related to ABAWD automation rules by transmitting ABAWD tracking codes to interface with Medi-Cal Eligibility Data System (MEDS), and other R&A changes. All premise funding allocated for LRS for new and/or changes to existing high priority State and Federal programs and policies are implemented through a Change Control Request (CCR) procedure.

### **Able-Bodied Adults Without Dependents (ABAWD)**

The ABAWD work requirement was implemented in 1996 as part of Federal Welfare Reform. Federal ABAWD requirements are defined in Section 6(o) of the Food and Nutrition Act of 2008 and in part 7 of the Code of Federal Regulations (CFR), Section 273.24. Non-assistance CalFresh recipients over age 17 and under age 50 must satisfy the ABAWD work requirement as a condition of eligibility unless they meet specified exemption criteria or live in an area where the ABAWD work requirement is waived. Currently, California is under a Statewide waiver which will end on December 31, 2017. By January 2017, the ABAWD calendar in the Statewide Automated Welfare System (SAWS) will begin sending data with a new tracking code "Z" that will help identify and track all non-assistance CalFresh recipients who are ABAWDs living in a non-waiver County. In order to be in compliance with the new SAWS requirement, funding is required to implement the program changes in the LRS system. The premise funding for Fiscal Year (FY) 2016-17 is \$1,019,700.

### **Regulatory and Administrative (R&A) Changes**

R&A changes are required to ensure the LRS complies with mandated County, State, and Federal policy and program requirements. Examples of such changes are listed below:

Maximum Family Grant (MFG) Repeal.

Eligibility Determination Benefit Calculation (EDBC) and Multiple Denial/Negative Action Reasons. CalFresh calculations for household with elderly and disabled members.

Exemption of long-term Welfare-to-Work sanctioned cases from Child Support requirement to the CW2215.

Department of Children and Family Services (DCFS) Federal Eligibility.

CalFresh waiver for the restoration of eligibility and benefit.

## **Implementation of Strategic Plan Goals**

These recommendations are consistent with the principles of the County Strategic Plan, Goal 1, Operational Effectiveness: Maximize the effectiveness of processes, structures and operations to support timely delivery of customer-oriented and efficient public service.

## **FISCAL IMPACT/FINANCING**

The Amendment increases the total Maximum Contract Sum for the initial term by \$4,019,700 from \$609,483,101 to \$613,502,801. The aggregate total Maximum Contract Sum for the LRS Agreement, including the initial term and the optional extended term, will increase from \$763,043,411 to \$767,063,111.

Costs for FY 2016-17

The estimated cost for Amendment Four is \$4,019,700.

The ABAWD programming changes total cost is \$1,019,700 with an estimated Net County Cost (NCC) at \$153,000. Sufficient appropriation for ABAWD program changes has been included in the Department's FY 2016-17 Supplemental Changes Budget Request with no increase in net County cost (NCC). The R&A changes total cost is \$3,000,000 with an estimated NCC at \$98,000. The appropriation and NCC for R&A changes will be fully offset through corresponding cost reductions in the County hardware/software portion of the LRS Project budget.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

This Board letter and associated Amendment were reviewed by the Chief Executive Officer and approved as to form by County Counsel and outside Counsel.

All terms and conditions, including information technology provisions which are part of the current Agreement, will continue to apply following execution of the proposed Amendment. The parties are also working diligently to assess the Data Encryption requirements for inclusion in a future amendment, following an assessment whether such requirements would affect the current scope-of-work for Accenture.

This is not a Proposition A Contract and accordingly is exempt from the requirements of the Living Wage Ordinance.

The funding approval for the Amendment has been received from the requisite State and Federal agencies.

### **CONTRACTING PROCESS**

Accenture LLP was selected via a competitive solicitation and evaluation process. On November 7, 2012, the Board awarded an 11-year Contract to Accenture LLP (with an option for three additional years) to design, develop, implement, operate, and maintain an automated welfare system called LRS.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of this Amendment to the Agreement will support both compliance with current policy and program rules, and effective implementation of State and Federal regulatory and policy changes to support over 16,500 users who will continue to provide public assistance services to over 3.5 million County constituents.

### **CONCLUSION**

Upon the Board's approval, the Executive Officer, Board of Supervisors is requested to return three original signed copies of the Amendment and one adopted stamped Board letter to the Director of DPSS.

Respectfully submitted,



SHERYL L. SPILLER

Director



PETER LOO

Acting Chief Information Officer

SLS:PL:MS:ph

Enclosures

c: Chief Executive Office  
Executive Office, Board of Supervisors  
County Counsel  
Auditor-Controller

**AGREEMENT  
BY AND BETWEEN  
COUNTY OF LOS ANGELES  
AND  
ACCENTURE, LLP  
FOR A  
LEADER REPLACEMENT SYSTEM  
AGREEMENT AMENDMENT**

**Amendment Number Four****County Agreement Number 77863**

AGREEMENT ENTERED INTO BY AND BETWEEN THE COUNTY OF LOS ANGELES, (HEREAFTER "COUNTY") AND ACCENTURE LLP ("CONTRACTOR") FOR PROVISION OF THE LEADER REPLACEMENT SYSTEM ("LRS").

This Amendment Number Four, is effective as of the date executed by the COUNTY's Board of Supervisors (the "Effective Date"), and amends Agreement No. 77863 ("Agreement") for the LRS that was entered into between the parties on November 7, 2012.

**WHEREAS**, pursuant to Subparagraph 5.2.2 of Subparagraph 5.2 (Required Approvals) of Paragraph 5 (Change Notices and Amendments), the Parties have agreed to amend certain provisions set forth in the Base Agreement and Exhibit C (Schedule of Payments) of the Agreement. COUNTY and CONTRACTOR agree to modify the Agreement to include changes that materially affect the scope of work, term, payments, and/or terms or conditions of the Agreement as provided in this Amendment Number Four;

**WHEREAS**, pursuant to Exhibit G (Estimates, Quantities, and Assumptions) of the Agreement, twenty-thousand (20,000) hours for regulatory, administrative or legal changes that occur during LRS development and after the LRS design is frozen, but prior to the start of Phase 2 (Performance Verification), were included in the Agreement under the Regulatory and Administrative (R&A) Change Budget. The COUNTY would like to replenish Three Million Dollars (\$3,000,000) to the R&A Change Budget to support additional regulatory, administrative and legal changes during Phase 1, with any excess being available for other Phases in the sole discretion of the County;

**WHEREAS**, the State of California has allotted premise funding that can be used towards funding additional hours for the R&A Change Budget for the Able-Bodied Adults Without Dependents (ABAWD) Automation; and

**WHEREAS**, the changes above affect the Total Maximum Contract Sum, prices, and payments due to CONTRACTOR under the Agreement and other terms and conditions as described below.

**Now, THEREFORE**, in consideration of the premises and of the promises exchanged herein, COUNTY and CONTRACTOR agree as follows:

1. Subparagraph 8.1.2 (Total Maximum Contract Sum During Initial Term) of Subparagraph 8.1 (Total Maximum Contract Sum) of Paragraph 8 (Contract Sum) of the Base Agreement is deleted in its entirety and replaced as follows:

### **“8.1.2 Total Maximum Contract Sum During Initial Term**

The Total Maximum Contract Sum [CONTRACTOR's total consideration for all Work hereunder, excluding postage charges as defined in Subparagraph 8.3 (Postage Charges), and including all applicable taxes and transportation charges, as determined by aggregating the Maximum Contract Sums specified in Subparagraphs 8.2.1 (Deliverables), 8.2.2.1, and 8.2.3.1] for this Agreement during the Initial Term, shall not exceed Six Hundred and Thirteen Million, Five Hundred Two Thousand, Eight Hundred and One Dollars (\$613,502,801). The Total Maximum Contract Sum shall not be increased for any costs or expenses whatsoever of CONTRACTOR, except pursuant to an Amendment to this Agreement as set forth in Subparagraph 5.2.2.

2. Subparagraph 8.2.4 (Regulatory & Administrative Budget Services) to Subparagraph 8.2 (Maximum Contract Sums) of Paragraph 8 (Contract Sum) of the Base Agreement is deleted in its entirety and replaced as follows:

### **“8.2.4 Regulatory & Administrative Change Budget Services**

The Maximum Contract Sum for Regulatory & Administrative Change Budget Services [CONTRACTOR's total consideration for all Work hereunder, including all applicable taxes and transportation charges for Regulatory & Administrative Change Budget Services] for this Agreement during Phase 1 (Design/Development/Implementation Phase) of the Initial Term, shall not exceed Thirty Six Million, Three Hundred Fifty Four Thousand, Three Hundred Forty Dollars (\$36,354,340).”

3. Schedule D (Regulatory & Administrative Change Budget Services) of Exhibit C (Schedule of Payments) is deleted in its entirety and replaced as follows:

<b>Schedule D</b>	
<b>Regulatory &amp; Administrative Change Budget Services</b>	
<b>Description</b>	<b>Maximum Total Price (USD)</b>
Application Software Changes and Related Services:	
Premise Funding for the Automation of State Mandated Changes (Amendment One)	\$15,265,804
Premise Funding for Senate Bill 1341: Medi-Cal Statewide Automated Welfare System (Amendment Two)	\$9,442,336
CalFresh Reporting Simplification: Eliminate Change Reporting (Amendment Two)	\$350,000
Premise Funding for SAWS/CalHEERS Interface Development (Amendment Three)	\$5,544,000
Premise Funding for Approved Relative Caregivers (ARC) Program (Amendment Three)	\$1,650,000
Premise Funding for Horizontal Integration (Amendment Three)	\$82,500
Regulatory and Administrative Changes (Amendment Four)	\$3,000,000
Premise Funding for ABAWD Automation (Amendment Four)	\$1,019,700
<b>Maximum Contract Sum for R&amp;A Change Budget Services</b>	<b>\$36,354,340</b>

\*The scope of Work, CONTRACTOR and COUNTY responsibilities, estimated resources, hours, assumptions, constraints, and schedule for the above will be approved by the COUNTY Project Director. Such Regulatory & Administrative Change Budget Services will be invoiced and paid in accordance with the Agreement, including as set forth in Subparagraph 9.12 (Invoicing and Payment for Regulatory & Administrative Change Budget Services) of the Base Agreement.

Except as provided in this Amendment Number Four, all other terms and conditions of the Agreement shall remain in full force and effect.

AMENDMENT NUMBER FOUR TO

COUNTY OF LOS ANGELES AGREEMENT NUMBER 77863

IN WITNESS WHEREOF, the County of Los Angeles Board of Supervisors has caused this Amendment Number Four to COUNTY Agreement Number 77863 to be subscribed by its Chair, and the seal of such Board to be affixed and attested by the Executive Officer thereof, and CONTRACTOR has caused this Amendment Number Four to be subscribed on its behalf by its duly authorized officer, this 4th day of October, 2016.

COUNTY OF LOS ANGELES

By: Hilda F. Solis  
Chair, Board of Supervisors

ATTEST:

\_\_\_\_\_  
Lori Glasgow,  
Executive Officer-Clerk  
Of the Board of Supervisors  
County of Los Angeles

I hereby certify that pursuant to  
Section 25103 of the Government Code,  
delivery of this document has been made.



LORI GLASGOW  
Executive Officer  
Clerk of the Board of Supervisors

By: Carla Little  
Deputy

By: Carla Little  
Deputy

ACCENTURE, LLP

By: Seetha

Name: Seetha Richman

Title: Managing Director

APPROVED AS TO FORM:  
MARY C. WICKHAM, County Counsel

By: Truc Moore  
Principal Deputy County Counsel

**ADOPTED**  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

#24

OCT 04 2016

Lori Glasgow  
LORI GLASGOW  
EXECUTIVE OFFICER